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March 26, 2019

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Docket No. 2018-318-E

Dear Mrs. Boyd:

Duke Energy Progress (“DEP”) has discussed with the State Conference of the National Association for the Advancement of Colored People, South Carolina Coastal Conservation League, and Upstate Forever the areas of DEP witnesses Wheeler’s and Hager’s rebuttal testimony that address portions of the State Conference of the National Association for the Advancement of Colored People, South Carolina Coastal Conservation League, and Upstate Forever witnesses Howat’s and Wallach’s direct testimony. As a result of these discussions DEP understands that: 1) witness Hager’s statement on page 12, lines 12-14 of her rebuttal testimony that “Witnesses Barnes and Wallach support identifying the [distribution] costs as demand-related but do not explicitly state how they propose for the Company to recover these costs” is in error as Mr. Wallach’s direct testimony states that the distribution costs identified as demand-related should be recovered through the energy rate. [See Direct Testimony of Jonathan Wallach p. 13, lines 16-21; p. 22, lines 11-14]; and 2) DEP witness Wheeler’s question in his rebuttal testimony on p. 5, lines 17-p. 6, line 6 which reads “Do you agree with witnesses Barnes, Howat and Wallach that the increase in the basic facilities charge should be limited to the percent increase approved by the Commission for each specific rate class?” does not accurately restate the recommendations in the direct testimony of witnesses Howat or Wallach. Witness Wallach recommended that the BFC be set at \$9.23 [See Direct Testimony of Jonathan Wallach, p. 19, line 22-p. 20, line 2; p. 29, line 26-p. 30, line 2] and witness Howat recommended that

the Commission not allow the BFC to increase any more than recommended by Mr. Wallach. [See Direct Testimony of John Howat, p. 38, lines 10-11]

Very truly yours,

Len S. Anthony

Len Anthony by *[Signature]*

cc: Parties of Record (via email)